

HOUSE BILL No. 1504

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-1-20-30.

Synopsis: Prohibition on premium rebates. Prohibits an affiliate of an insurance company from offering, promising, allowing, giving, setting off, or paying any rebate of the premium or other cost related to a policy of insurance, unless it is specified in the policy.

Effective: July 1, 1999.

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January 19, 1999, read first time and referred to Committee on Insurance, Corporations and Small Business.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1504

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-1-20-30 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 30. (a) No company **or**
3 **affiliate of a company** acting through its officers or members,
4 attorney-in-fact, or by any other party, no officer of a company acting
5 on his own behalf and no insurance agent, broker, or solicitor,
6 personally or by any other party, shall offer, promise, allow, give, set
7 off or pay, directly or indirectly, any rebate of or part of the premium
8 payable on a policy, or any agent's commission thereon, or earnings,
9 profits, dividends or other benefits founded, arising, accruing, or to
10 accrue thereon or therefrom, or any special advantage in date of policy
11 or age of issue, or any paid employment or contract for services of any
12 kind, or any other valuable consideration or inducement, to or for
13 insurance on any risk in this state, now or hereafter to be written, or for
14 or upon any renewal of any such insurance, which is not specified in
15 the policy contract of insurance, or offer, promise, give, option, sell or
16 purchase any stocks, bonds, securities, or property, or any dividends or
17 profits accruing or to accrue thereon, or other thing of value whatsoever

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1 as inducement to insurance or in connection therewith, or any renewal
2 thereof, which is not specified in the policy. Nothing in this section
3 shall prevent a company which transacts industrial life insurance on a
4 weekly payment plan from returning to policyholders who have made
5 a premium payment for a period of at least one (1) year directly to the
6 company at its home or district office a percentage of premium which
7 the company would otherwise have paid for the weekly collection of
8 such premium, nor shall this section be construed to prevent the taking
9 of a bona fide obligation, with legal interest, in payment of any
10 premium.

11 (b) No insured person or party or applicant for insurance shall
12 directly or indirectly, receive or accept, or agree to receive or accept,
13 any rebate of premium or of any part thereof, or all or any part of any
14 agent's or broker's commission thereon, or any favor or advantage, or
15 share in any benefit to accrue under any policy of insurance, or any
16 valuable consideration or inducement, other than such as are specified
17 in the policy.

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